

EXHIBIT 12

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

JEANNE DEGAN)

VS.)

GOLDWELL OF NEW ENGLAND)

C.A. 04CV11024RWZ

ORIGINAL

DEPOSITION OF DAVID R. HALLGREN, taken at the request of the Defendant pursuant to Rule 30 of the Massachusetts Rules of Civil Procedure before Karen R. Weldon, a Notary Public and Registered Merit Reporter in and for the Commonwealth of Massachusetts, on September 8, 2004, commencing at 10:35 A.M. at the offices of Bowditch & Dewey, 311 Main Street, Worcester, Massachusetts.

A P P E A R A N C E S:

FOR THE PLAINTIFF:

RODGERS, POWERS & SCHWARTZ, LLP
18 Tremont Street

Boston, Massachusetts 02108

BY: LINDA EVANS, ATTY.

FOR THE DEFENDANT:

BOWDITCH & DEWEY

31 Main Street

Worcester, Massachusetts 01608

BY: JONATHAN R. SIGEL, ESQ.

Also Present: John Foundas & Mary Garneau

BAY STATE REPORTING AGENCY
76 MILL STREET (At Park Avenue)
WORCESTER, MASSACHUSETTS 01603
(508) 753-4121

1 Q. Okay. At any time during your
2 employment it was your understanding that there
3 was a need for a full time Artec brand manager?

4 A. I think there was a need going
5 forward, but the resources didn't warrant it at
6 that point in time.

7 Q. Was it your understanding that at
8 that point in time that Artec requested that you
9 have a brand manager?

10 A. I don't think they requested it. I
11 think it was John's approach to be proactive
12 with developing the Artec brand further.

13 Q. When you say that Artec did not
14 warrant a full-time brand manager, what do you
15 mean by that?

16 A. I said at that point in time it
17 didn't, we weren't going to apply a full time
18 body against the Artec business. That was my
19 impression.

20 It didn't warrant it at that point in
21 time. It would lead to that as that person
22 became more knowledgeable.

23 Q. Do you say it didn't warrant it
24 because the Artec sales were not great enough to

1 warrant it?

2 A. No. I don't think we had the
3 resources. We didn't want to apply the
4 resources.

5 Q. When you say resources --

6 A. I could have hired 17 brand managers.
7 I couldn't afford them all. So there were
8 resources we weren't going to commit full time
9 dollars to a brand at that point in time.

10 But there had been discussions with
11 Artec about moving forward with a full-time
12 position and if we got the right person as the
13 business grew.

14 Q. When were those discussions?

15 A. I think it was during the process of
16 interviewing people.

17 Q. So during your employment?

18 A. Uh-huh.

19 Q. You have to answer verbally.

20 A. Yes, during my employment.

21 Q. Did you discuss the issue with Artec
22 directly?

23 A. I can't remember if I had a
24 conversation with Vicki. She was our -- You

1 go further, we could give her more
2 responsibilities.

3 Q. Eventually it would become that?

4 A. To me, that's hiring a brand manager.
5 That's an interpretation.

6 Q. But she didn't yet have the
7 qualifications to become a brand manager?

8 A. She didn't have the product knowledge
9 to become a brand manager.

10 Q. Did you discuss your search for this
11 brand manager position with any other employee
12 or manager during your employment, other than
13 Mr. Foundas?

14 A. I think we shared it with, for
15 example, Sheryl Holladay and possibly the other
16 regional managers what our long term intentions
17 were.

18 Q. Were there any other brand manager
19 positions, other than what you're referring to
20 for which you hired someone, for example, as a
21 sales rep with the hopes of them moving into a
22 brand manager role?

23 A. I didn't hire anybody under that
24 intention.

1 Q. Mr. Hallgren, I just want to show you
2 a document that I would like to mark as Exhibit
3 No. 3.

4 (Deposition Exhibit No. 3 Marked).

5 Q. Mr. Hallgren, if I could ask you to
6 review that document --

7 A. Uh-huh. Yes.

8 Q. And ask you if you recognize it?

9 A. Yes.

10 Q. What do you recognize it to be?

11 A. An offer letter to Lisa Leal.

12 Q. And is that your signature at the
13 bottom?

14 A. Yes.

15 Q. Did you draft this letter?

16 A. Yes.

17 Q. So her position was urban territory
18 sales manager?

19 A. Yes.

20 Q. And you agree no where in this
21 document does it indicate that she would be or
22 become a brand manager, correct?

23 A. Not in this document, no.

24 Q. And did you create the position of

1 A. Right. But then it says here that I
2 was told all three companies, so I'll go off
3 this memory. It's memory because this was a
4 year and a half ago, closer to that.

5 If I was told that all three
6 companies would share the cost, I know Shakour
7 and Goldwell would share, and based on that, I
8 would say that Artec did say they would
9 contribute something.

10 Q. Okay. And in this document you
11 didn't say Artec and Bionics brand manager,
12 right?

13 A. Right.

14 Q. Why not?

15 A. I think we were going to want to have
16 a full time Artec position at one point in time.

17 Q. Didn't you testify earlier that it
18 was supposed to be a dual position of Artec and
19 Bionics?

20 A. I'm just thinking longer term, we
21 wanted to have one for each.

22 Q. Long term. Somewhere in the future?

23 A. Right.

24 Q. If sales warranted it; is that

1 correct?

2 A. In the future. I'm not saying
3 anything about -- In the future.

4 Q. Okay.

5 A. We said we wanted to grow the Artec
6 business and apply resources there. So we were
7 going to apply resources there. The brand
8 manager was the capacity to help do that.

9 Q. I apologize if I asked this earlier,
10 but you read this document carefully before you
11 signed it, right?

12 A. Uh-huh.

13 Q. You have to answer verbally.

14 A. Yes.

15 Q. Did you sign any other statements
16 sent to you by Ms. Degan or her attorneys in
17 this case?

18 A. I don't think so. I think it was
19 just that one page. And to be honest with you,
20 I forgot about it until you showed it to me.

21 Q. Okay. Were there any other drafts of
22 this that you recall?

23 A. No.

24 Q. So to your recollection you didn't

EXHIBIT 13

Exhibits: 1-4

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

CA. NO. 04-CV-11024 RWZ

JEANNE DEGEN,

Plaintiff

VS.

GOLDWELL OF NEW ENGLAND, INC.

Defendant

DEPOSITION OF SUSAN A. PUGH,
taken at the request of the Defendant,
pursuant to Rule 30 of the Massachusetts
Rules of Civil Procedure before
Kathleen M. Bradley, Notary Public and
Registered Professional Reporter in and for
the Commonwealth of Massachusetts, on
Thursday, May 12, 2005, commencing at
1 p.m. at the offices of Bowditch & Dewey,
311 Main Street, Worcester, Massachusetts.

BAY STATE REPORTING AGENCY
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1 A. In the beginning when the paper was
2 passed out, yes. That's when Michelle --
3 like I had stated, Michelle White had asked
4 questions and that's where it got more
5 specific about each position.

6 Q. Okay. Fair enough. Was there any
7 other occasion besides this meeting that
8 you just testified about which Renee
9 Shakour made such an offer regarding a
10 referral fee for any Brand Manager
11 position?

12 A. I don't recall.

13 Q. Whether or not you recall
14 specifically, do you have reason to believe
15 that there was another occasion on which
16 you were present in which Ms. Shakour did
17 make such a statement?

18 A. I'm not aware of any.

19 Q. Did you have any personal involvement
20 in any effort by Goldwell and/or Shakour to
21 hire an Artec Brand Manager?

22 A. No, I did not.

23 Q. And in fact, Ms. Pugh, isn't it fair
24 to say that after Ms. Degen left her

1 employment and for the remainder of your
2 employment, whether it be with Goldwell or
3 with Shakour, neither Goldwell or Shakour
4 actually hired an Artec Brand Manager?

5 A. That is correct.

6 Q. And other than the job advertisements
7 that you testified about today and the
8 meeting that you just testified about, do
9 you have any other knowledge of a search
10 for an Artec Brand Manager?

11 A. I do not.

12 Q. Do you have any personal knowledge of
13 a search for any Brand Manager during that
14 time period other than what you testified
15 about?

16 A. No, I do not.

17 Q. Following Ms. Degen's separation from
18 employment and during your employment with
19 Goldwell and/or Shakour did either Goldwell
20 or Shakour hire any Brand Managers?

21 A. I believe they did.

22 Q. What's your your best recollection as
23 to which Brand Managers they hired?

24 A. L'Oreal.

1 Halgren had during his employment by
2 Goldwell?

3 A. I do not.

4 Q. Ms. Pugh, did you ever tell anyone
5 that you understood Mr. Halgren had hired a
6 Brand Manager for Goldwell?

7 A. I do not know about that.

8 Q. My question to you was did you ever
9 tell anyone that Mr. Halgren hired a Brand
10 Manager?

11 A. Oh no, no. I'm sorry, I
12 misunderstood you.

13 Q. Maybe I wasn't clear. Following Ms.
14 Degen's separation from employment did you
15 have the opportunity to observe that any of
16 her former duties were distributed to other
17 employees?

18 A. Yes.

19 Q. And can you describe for me that
20 distribution?

21 A. Just for the record, I mean I'm a
22 salesperson. So I'm just observing. Once
23 again, we only would come into the office,
24 you know, approximately twice a month for